


AR29



	BRAMALEA CONSOLIDATED DEVELOPMENTS LIMITED Executive Offices: 20 King Street West, Toronto, Ontario. General Offices: 70 Bramalea Road, Bramalea, Ontario.
Divisions	Bramalea Construction (Peel) Bramalea Shopping Centres Land Development Division Industrial Development Division Residential Construction Division Property Management Division
Wholly-Owned Subsidiary Companies	Bramalea Farms Limited Bramalea Hotels Limited
Partially-Owned Subsidiary Companies	Bramalea Trans-Canada Limited Camp Muskoka Lodge Limited
Associate Companies	Bramalea General Contracting (Peel) Limited Brama-Green Limited Bramalea Realty Limited
Joint Venture & Partnerships	Sarnia St Clair Construction Company BBC Swansea Southport Developments
Officers	The Hon. J. Keiller Mackay, D.S.O., V.D., Q.C., LL.D., D.C.L., Chairman of the Board Alan F. B. Taylor, President and Chief Executive Officer Arthur S. Armstrong, Executive Vice-President Murray E. Hardisty, Senior Vice-President John L. Shortly, C.A., Senior Vice-President Arthur Zimet, Senior Vice-President Ernest K. Birmann, Vice-President, Industrial Development Division David A. Less, Vice-President, Property Management Division Stanley A. Podkowa, B.A., Secretary Raymond M. Coole, C.A., Treasurer Gordon J. Reid, C.A., Comptroller
Directors	* Arthur S. Armstrong E. Jacques Courtois, Q.C. Ross Dunn, Q.C. R. J. Ellery, M. Inst. T. * The Hon. J. Keiller Mackay, D.S.O., V.D., Q.C., LL.D., D.C.L. * Emerson M. Miller Sir Brian Mountain, Bt. * Alan F. B. Taylor * John H. Taylor J. A. Thomson The Rt. Hon. Lord Tweedsmuir, C.B.E., C.D., LL.D. *Executive Committee
Trustee for Debentures	Canada Permanent Trust Company, Toronto, Ontario.
Registrars and Transfer Agents for Stock	Morgan Guaranty Trust Company of New York, New York, U.S.A. International Trust Company, Toronto, Ontario.
Warrant Agent	Morgan Guaranty Trust Company of New York, New York, U.S.A.
Stock Exchange Listing	Toronto Stock Exchange
Auditors	McDonald, Currie & Co., Toronto, Ontario.

*Aerial photograph of Bramalea,
Fall 1968*



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President's Report to the Shareholders — 1968

This year's operations show a significant increase in gross revenue. The balance of the sale of land to the Ontario Housing Corporation, mentioned in last year's report, and a major increase in the number of housing units built and sold in the period, were the principal contributors to this increase. Despite an increase in the Income Tax provision of considerably over 100%, the Company's net profit exceeds that of 1967 by 10%.

In June, 1968, the Company sold 150,000 treasury common shares at \$25.00 per share to the Investors' Group of Winnipeg, and at a special general meeting of shareholders held on August 7, 1968, the shares of the Company were split 5 for 1 and the Company's authorized share capital increased from 1,500,000 to 12,500,000 common shares.

The Company completed a long-term refinancing on October 1, 1968. The 6½% U.S. Sinking Fund Debentures, due July 1, 1973, were called and redeemed, and a \$12,000,000 7½% Convertible Debenture issue due October 1, 1988, was placed privately. These debentures are convertible at the rate of 1 common share for each \$8.00 of debenture principal. The proceeds of this issue, and from the sale of common shares to the Investors' Group, were used to redeem the 6½% U.S. Sinking Fund Debentures, and to pay off bank loans. The balance of the proceeds was added to working capital and invested in short-term notes until required.

The Company also took full advantage of the increased cash flow, resulting from its operations, and its refinancing, to substantially increase its scope of operations and has structured management accordingly.

Negotiations have continued in 1968 and to date with the Ontario Housing Corporation relative to the sale to the Corporation of 5,000 units of multiple housing in Bramalea at \$4,000 per unit, for which an option was granted to the Corporation in 1967.

Should the necessarily complex negotiations with the Ontario Housing Corporation, and with the Township of Chinguacousy, allow the transaction to be completed, the Company will obtain the release of a substantial number of single family and semi-detached units from



the Municipality in addition to the release of units for conveyance to the Ontario Housing Corporation.

Since the agreement presently contemplated will free lands for development ahead of the availability of industrial assessment in the Township, the Company will be required to pay a substantial levy to the Municipality, whilst, at the same time, being relieved of the payment of "in lieu of taxes" and capital school cost obligations, in respect of the lands to be released.

In previous subdivision agreements with the Municipality the payment of "in lieu of taxes" and capital school costs have been obligations of the Company, but no levy has been payable.

The Land Development Division has acquired lands in the Township of Chinguacousy (outside of, but almost contiguous to the Bramalea New Town area), Erindale, Etobicoke, Burlington, Guelph, Pickering, Waterloo and Clarkson, all in the Province of Ontario, totalling nearly 1,200 acres, in various stages of development. It is anticipated that, in the coming year, development of these lands will proceed to the point that in excess of 1,100 housing starts may be accomplished. This is, of course, in addition to nearly 330 units which have already been sold in the Bramalea area, but not shown as sold in this year's figures as the purchasers had not taken possession by the fiscal year end.

The Property Management Division has been extremely active and is developing, or has developed, shopping centres in Bramalea, Thornhill and Ajax, Ontario, and has firm commitments from major retailers, for development of shopping centres, each in excess of 150,000 square feet of rentable area, in Hamilton, Welland and Niagara Falls, Ontario. In addition, it is negotiating for similar sites in four other locations. It is anticipated that this program will be continued, and indeed, intensified, to increase the provision of a firm base of commercial revenue-producing properties.

The Industrial Development Division achieved a reasonable sales level in 1968 in the light of a continuing cutback by industry in its expenditures for plant expansion. However, I am pleased to report a substantial

increase in 1969 of the amount of industrial plant under construction, or contemplated, in the Bramalea Industrial Park. The resultant increase in industrial assessment will, of course, enure to the benefit of the Company as it will reduce the shortfall payments due to the Municipality by the Company from 1969 on.

During the year, the Company's general contracting associate, Bramalea General Contracting (Peel) Limited, commenced, and substantially completed, in excess of \$3,000,000 worth of building projects for the Company's commercial and industrial divisions. In addition, it was awarded a \$3,000,000 contract in early 1969 for the North York Board of Education. It is the Company's intention to expand its operations in the Municipal, Commercial and Institutional fields wherever such activity can be carried on profitably.

In May, 1968, your Company entered into an agreement with the Skarne System International AB of Stockholm, Sweden, whereby Bramalea acquired the Canadian rights to the Skarne concrete elemental building system. Subsequently, a major study was undertaken, and is still in progress, by your Company and the Swedish licensor, on Canadian building methods, market conditions, etc. This effort forms part of a continuing endeavour to research all possible methods for cutting building costs and increasing efficiency, so that the Company may properly play its part as one of the major residential builders in Canada.

The Swansea Apartment Development in western Metropolitan Toronto was reviewed on three occasions in 1968 by the Ontario Municipal Board. As a result of considerable ratepayer opposition relating to the proposed height of the buildings, the Ontario Municipal Board refused to approve the by-law passed by the City of Toronto, but authorized a reduced density site plan. The Company is reviewing its position and is working with its architects and planners in an effort to produce a plan acceptable to all parties.

In 1968, the Company and Maple Leaf Mills Limited, of Toronto, Ontario, one of the major milling companies in Canada, entered into an agreement to form an equally-owned company, Brama-Green Limited, to lease up to



3,000 acres of the Bramalea lands, for the purpose of carrying on a farming operation. This will effectively husband the Company's land resources awaiting development.

In an endeavour to expand its operations economically and geographically, the Company formed two new subsidiaries in 1968.

Bramalea Trans-Canada Limited was formed to carry out developments in major urban centres throughout Canada by means of joint ventures, or partnerships, with established building and/or development companies presently operating in these centres. It is the Company's intention to utilize its financial strength, expertise and management techniques to give strength to its partners and so take the fullest advantage of every possible development opportunity.

Rose Park Developments Limited was formed in December, 1968, to operate in the fields of student and social housing, which have, in the past few years, become a significant factor in the residential building industry in this country.

It will be apparent from the various divisional reports and the figures contained in this year's Annual Report, that, in addition to a successful year, the Company has moved forward very rapidly in diversifying and expanding its operations in the Bramalea area and throughout the country. Major changes have been made in the Management structure to ensure that this program will be carried out aggressively and efficiently.

Much of the work done by the Divisions in this fiscal period will not, and cannot, bear fruit for some time, evidence of the fact that successful land development, in all its aspects, cannot be profitably pursued without forward planning and garnering of land inventory well ahead of demand.

It is Management's belief that, with the Company now established on a firm financial base, with its experience well grounded in all aspects of land development, and with a management team assembled to take full advantage of the opportunities, 1969 and the ensuing years will show even more progress. Certainly the Company will, henceforth, be in a better position to take more profitable advantage of its new financing than has been the case in the year under review.

Thanks are due to the Directors, Officers and Employees of the Company for their efforts in the past year which have brought us to a new high point in the Company's history. There is every indication that the results for the current year will show the Company in a substantially stronger position.

March, 1969.



President

Board of Directors

Arthur S. Armstrong,

Pine Grove, Ontario, Canada

Mr. Armstrong is also a Director of:

Urban Development Institute (Ontario Division)

E. Jacques Courtois, Q.C.

Montreal, P.Q., Canada

Mr. Courtois is also a Director of the following companies:

Bank of Nova Scotia

British Northwestern Insurance Company
(Vice Chairman)

Canada Life Assurance Company

Canadian Foundation Company Ltd.

Canadian International Investment Trust Limited

Elican Development Company Limited

Elwill Development Limited

Gaz du Québec, Inc. (Chairman of the Board)

Great Northern Gas Utilities Ltd.

La Compagnie Foncière du Manitoba (1967)
Limitée (President)

Quebec Iron and Titanium Corporation

Quebec Natural Gas Corporation (Vice-President)

Rolland Paper Company, Limited—

Compagnie de Papier Rolland, Limitée

Salada Foods Ltd.

Security National Insurance Company

Trizec Corporation Ltd.

Universal Savings Equity Fund Limited

Ross Dunn, Q.C.

Toronto, Ontario, Canada

Mr. Dunn is also a Director of the following companies:

The Algoma Steel Corporation Limited

Butterworth & Co. (Canada) Ltd. (Vice-President)

Canadian Motorways Ltd.

Richard J. Ellery, M. Inst. T.

London, England

Mr. Ellery is also a Director of the following companies:

Advance Contract Laundries Ltd. (Chairman)

Advance Laundries Ltd. (Chairman)

John Allen & Ford (1967) Ltd.

Archie Light (Fairwater) Ltd.

B.E.T. Federation, Ltd.

B.E.T. Omnibus Services Ltd.

Canadian Motorways Ltd.

Capital Storage Holdings Ltd.

Devon General Omnibus & Touring Co. Ltd.

Eddison Plant Ltd.

Electrical Press Ltd.

Fairwater Construction Ltd.

Greenslades Tours Ltd.

Initial Services Ltd.

Jamaica Omnibus Services Ltd. (Chairman)

London Coastal Coaches Ltd.

Magnet Bowling Ltd.

Public Transport Association Inc.

H. Richards & Co. Ltd.

Samuelson New Transport Co. Ltd.

The Hon. J. Keiller Mackay, D.S.O., V.D., Q.C., LL.D., D.C.L.

Toronto, Ontario, Canada

The Hon. J. Keiller Mackay is also:

Chancellor, University of Windsor

Governor, University of Toronto

Director, Canada Permanent Trust Company

Emerson M. Miller,

Toronto, Ontario, Canada

Mr. Miller is also:

Commissioner, Toronto & York Roads Commission

Sir Brian Mountain, Bt.

London, England

Sir Brian Mountain is also a Director of the following companies:

Air Holdings Ltd.

Ashdale Land & Property Co. Ltd. (Chairman)

Bank of Nova Scotia

Bank of Nova Scotia Trust Co. (Bahamas) Ltd.

(Deputy Chairman)

Bank of Nova Scotia Trust Co. (Caribbean) Ltd.

(Deputy Chairman)

Bank of Nova Scotia Trust Co. (Cayman) Ltd.

(Deputy Chairman)

Bank of Nova Scotia Trust Co. of Jamaica Ltd.

(Deputy Chairman)

Bank of Nova Scotia Trust Co. of the West Indies Ltd.,

(Deputy Chairman)

Bank of Nova Scotia Trust Co.

(United Kingdom) Ltd.

Barbados Fire Insurance Co.

(Chairman)

Bernard Sunley Building Ltd. (President)

Bernard Sunley Investment Trust Ltd. (Chairman)

British African Properties Ltd. (Chairman)

British Caribbean Insurance Co. Ltd. (Chairman)

British Crown Assurance Corporation Ltd. (Chairman)

British Northwestern Insurance Co. (Chairman)

B.U.A. (Holdings) Ltd.

Covent Garden Properties Co. Ltd. (Chairman)

Covent North American Properties Ltd.

(Chairman)

Eagle Star Insurance Co. Ltd. (Chairman)

Economic Insurance Co. Ltd.

Hampstead & Suburban Properties Ltd. (Chairman)

Kingsdown Stud Ltd.

L'Independance Compagnie D'Assurances Contre
Tous Risques

Midland Assurance Ltd.

Place Ville Marie Corporation

Racehorse Owners Association Ltd.

(Member of Council)

Sceptre Trust Ltd. (President)

Second Covent Garden Property Co. Ltd. (Chairman)

Security National Insurance Co. (Chairman)

South African Eagle Group:

South African Eagle Insurance Co. Ltd. (Chairman)

African Guarantee & Indemnity Co. Ltd. (Chairman)

Eagle Star Insurance Co. of South Africa Ltd.

(Chairman)

Eagle Star Properties (Rosebank) (Pty.) Ltd.

(Chairman)

Piccadilly Mansions (Proprietary) Ltd. (Chairman)

South African Fire & Accident Insurance Co. Ltd.

(Chairman)

Threadneedle Insurance Company Ltd.

(Chairman & Managing Director)

Threadneedle Properties (S.A.) Ltd.

Trent Insurance Co. Ltd. (Chairman)

Triton Centres Ltd.

Triton Shopping Centres Ltd.

Trizec Corporation Ltd.

United Dominions Trust Ltd.

United Racecourses Ltd. (Chairman)

Zambian Eagle Insurance Co. Ltd. (Chairman)

Alan F. B. Taylor,

Toronto, Ontario, Canada

Mr. Taylor is also a Director of the following companies:

British Northwestern Insurance Company

Security National Insurance Company

John H. Taylor,

Toronto, Ontario, Canada

Mr. Taylor is also a Director of the following companies:

British Northwestern Insurance Company
Canadian Fuel Marketers Group Ltd. (President)
Canadian Salt Company Limited
Essex Terminal Railway Company
Greyhound Lines of Canada Ltd.
Maple Leaf Mills Limited
Morton Terminal Limited
National Trust Company Limited
North American Life Assurance Company
(Vice-President)
Procor Limited
P. L. Robertson Mfg. Co. Ltd.
RoyFund Ltd.
St. Lawrence Stevedoring Company Limited
Slough Estates (Canada) Limited
United Dominions Corporation (Canada) Limited

James Alexander Thomson,

London, England

Mr. Thomson is also a Director of the following companies:

African Lands & Hotels Ltd.
Airwork International Ltd.
Amber Industrial Holdings Ltd.
Anglo-Swedish Electric Welding Co. Ltd.
Autologic Ltd.
Battle Farm Lands Ltd.
Beira Boating Co. Ltd.
Beira Boating (Investments) Ltd.
Beira Engineering Co. Ltd.
Bricomin Investments Ltd.
Bristow Helicopters Ltd.
Bristow Helicopters (Eastern) Ltd.
Britain-South Africa Airways Ltd.
British Air Transport Ltd.
British & Commonwealth (Group Management) Ltd.
British & Commonwealth Shipping Co. Ltd.
British United Airways Ltd.
British United Airways (C.I.) Ltd.
British United Island Airways Ltd.
B.U.A. (Holdings) Ltd.
Caledonia Investments Ltd.
Caledonia Stevedoring Co. Ltd.
Causeway Steel Products Ltd.
Caytrust Finance Co. Ltd.
Cayzer, Irvine & Co. Ltd.
Cayzer, Irvine (Group Finance) Ltd.
Cayzer, Irvine (Investments) Ltd.
Cayzer, Irvine (Property Management) Ltd.
Cayzer, Irvine & Partners Ltd.
Cayzer, Leigh & Co. Ltd.
Cayzer, Seear & Co. Ltd.
Cayzer Trust Co. Ltd.
C.I. Investments Ltd.
C.I. Investments (Overseas) Ltd.
Clan Line Investments Ltd.
Clan Line Steamers Ltd.
H.P. Cooper Ltd.
Craig-Hubbuck Ltd.
Crewkerne Investments Ltd.
Currig Developments Ltd.
Currig Investments Ltd.
Damic Controls Ltd.
Dock Services Ltd.
Dunchurch Lodge Stud Co.
Dunchurch Lodge Stud (Management) Co. Ltd.
Exactor Sterling Ltd.
F.B. Textiles Ltd.

Fishing & Research Ltd.
Free Ferry Cartage Ltd.
Haselwell Development Co. Ltd.
Hector Whaling Ltd.
Hector Whaling (Pension Trustees) Ltd.
C. G. Hibbert Holdings Ltd.
H. Hoskings Ltd.
Huntley Cook & Co. Ltd.
Huntley & Sparks Ltd.
Huntley & Sparks (Group Management)
Huntley & Sparks (Lands) Ltd.
London-American Maritime Trading Co. Ltd.
Manica Trading Co. Ltd.
Maniford Transport Services Ltd.
Manx Airlines Ltd.
May Acoustics Ltd.
A.W. Mellish Ltd.
Microplas Ltd.
Morton Air Services Ltd.
Geoffrey Mowbray Ltd.
North British Hire Purchase Ltd.
Philip Newton Ltd.
Pearson Lands Ltd.
Pearson Spinning Co. Ltd.
Reading Garage Co. Ltd.
Redhill Flying Club Ltd.
Ross Engineers Ltd.
Ross (Plant Hire) Ltd.
Rotoflo Ltd.
St. Mary Axe Finance Co. Ltd.
Scottan Investments Ltd.
Scottish Lion Insurance Co. Ltd.
Scottish Lion Insurance (Holdings) Ltd.
Scottish Lion Insurance (Investments) Ltd.
Scottish Tanker Co. Ltd.
S.C. Plant Ltd.
Sea Lion Investments Ltd.
Servisair Ltd.
Sterling Industries Ltd.
Sterling Industries (Group Management) Ltd.
Sterling Instruments Ltd.
Telaflor Ltd.
Travel Savings Ltd.
Union-Castle Investments Ltd.
The Union-Castle Mail Steamship Co. Ltd.
Union-Castle (Sea Tours) Ltd.
United Helicopters Ltd.
United Whalers Ltd.
Universal Dampers Ltd.
Universal Dampers (Lands) Ltd.
Urquharts (1926) Ltd.
Walford Lines Ltd.
Wilson Holidays Ltd. (Alternate)

The Rt. Hon. Lord Tweedsmuir, C.B.E., C.D., LL.D.
London, England

The Rt. Hon. Lord Tweedsmuir is also a Director of the following companies:

Archford Investments Co. Ltd.
Bovril Limited
Cementation Company Limited
Dalgety and New Zealand Loan Limited
Estates and Agency Co. Limited
Estates and Agency Holdings Ltd.
Intercapita Finance Limited
Intercapita Limited
National Provident Institution for Mutual Life Assurance
Science Research Associates Ltd.
Westminster & County Insurance Offices (Chairman)

Residential Developments

During 1968 the number of houses built and sold by the Company in Bramalea increased significantly from 386 in 1967 to 639; the highest in the Company's history. This increase was achieved mainly under the Home Ownership Made Easy (H.O.M.E.) plan introduced by the Ontario Government in mid-1967, a plan more fully explained in the President's Report in 1967.

The maximum selling price for houses built under the H.O.M.E. plan was initially \$15,000 and has recently been increased to \$17,000.

As reported in 1967, the Ontario Housing Corporation purchased 1,666 lots in Bramalea for use under the H.O.M.E. plan. The sale of the final 1,045 lots to the Ontario Housing Corporation is included in the financial statements for 1968; the sale of the first 621 lots having been completed in 1967. The Company leased back 833 of these lots and built and sold houses on 532 of them in 1968. Also included in house sales in 1968 are 70 houses built under the Company's regular house-building program.

The Company built and sold 37 condominium town house units in Bramalea, being the first units built in Ontario under the new Condominium Legislation enacted by the Ontario Government in September, 1967. This concept of home ownership was readily accepted by homebuyers to the extent that the 37 units were sold out soon after they were offered for sale.

In Bramalea Woods, an area of 104 larger lots, 86 houses are occupied or under construction. The Company sold these lots to custom builders in prior years. Houses in this development are selling at prices in excess of \$40,000.

At November 30, 1968, the population of Bramalea was approximately 15,300.

In 1969, the Company will be pursuing a policy of diversification with respect to its residential housebuilding program. In order to maximize its expertise in the field of residential development, particularly in the provision of condominium town housing, it will be operating both within and beyond Bramalea.

Construction of 756 town house units for sale under condominium legislation will start in 1969 in the City of Waterloo, in Thistletown in north-west Toronto, in the Martingrove and Finch area of the Borough of Etobicoke, and in the City of Guelph. Currently, the Company is building a 59 town house condominium project in Erindale in the Town of Mississauga. In addition, approximately 200 single family and semi-detached houses will be commenced in Clarkson, Ontario, and a further 170 town houses for sale under condominium may be started in Pickering, Ontario.

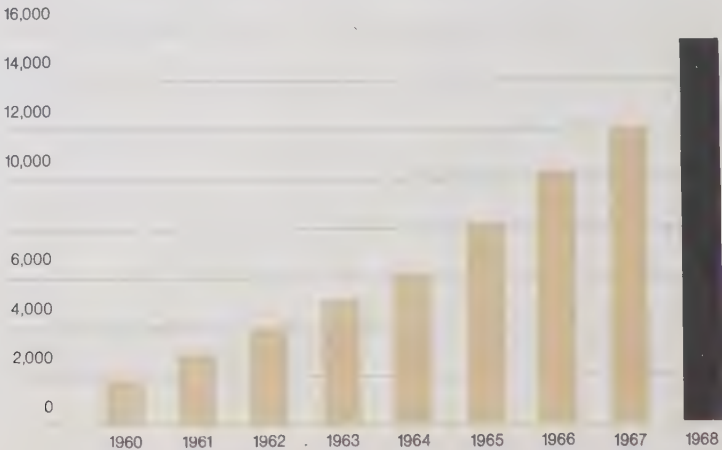
Construction is also expected to start on a 146-suite apartment building in Bramalea being a prototype of the concept of housing applicable to the Skarne System, for which this Company has the Canadian licence.

Of the above total of 1,331 housing units, it is expected that 480 units will be completed and sold by November 30, 1969. Also to be completed and sold during the same period will be the balance of 301 H.O.M.E. houses in Bramalea and an additional 26 houses of the regular housebuilding program.

Bramalea land holdings

	Original Acreage	Acreage Sold	Under Development	Undeveloped
Bramalea	6,360	1,827	686	3,847
Other areas	1,192	—	232	960
	7,552	1,827	918	4,807

BRAMALEA POPULATION CHART







1968 Revenue-Producing Properties

Niagara Peninsula Shopping Centre

In June 1968, the Company sold this Shopping Centre, including the new Steinberg's store for \$14,545,000 under a sale and leaseback arrangement. The Company will continue to control the operation and management of this Centre for a period of thirty years, and provision has been made for participation in rental income under certain conditions.

The mortgage market has been such that the Company was unable to reduce its equity in the Centre to a practical amount, and the sale and leaseback was arranged in order to maximize the return on investment in the Centre and to provide additional funds for use in more attractive situations.

This original Shopping Centre, located in St. Catharines, Ontario, has a total rentable area of 790,000 square feet and its major tenants are Simpsons-Sears Ltd. who operate a department store, restaurant and automotive service centre totalling 176,000 square feet, and Steinberg's Ltd. whose Miracle Mart department store of 160,000 square feet opened in February 1969. There are approximately 90 other tenants in the Centre, including many nationally-known retailers.

Bramalea City Centre

Construction on the first stage of the Bramalea City Centre began in 1968. The total plan of development for the 100 acre City Centre envisages five separate phases which are designed to accommodate the anticipated population growth of Bramalea and surrounding communities.

The retail area in the first phase is planned for 500,000 square feet. Stage one of this phase, now under construction, accounts for 250,000 square feet, and includes a Brewers' Retail store, and a Liquor Control Board of Ontario store, both of which were open for business in December 1968, a department store, two supermarkets, a bank, restaurant, etc., and a medical/dental centre.

The majority of leases for this area have been signed or are under negotiation.

Bramalea Shopping Centre

The Bramalea Shopping Centre originally built in 1961 and enlarged in 1964, was the first neighbourhood



*Illustrated above:
Royal Orchard Shopping Centre
under construction*

*Illustrated on the right:
York Square North town houses*





Shopping Centre in Bramalea, is located on a site of approximately three acres and has a retail area of approximately 44,000 square feet. There is no vacant space in this centre.

Southgate Village Shopping Centre

Located in Bramalea, this neighbourhood Centre is being constructed in two stages to coincide with the population growth of the area. The first stage of 24,300 square feet opened for business in January 1969, and is fully leased.



Royal Orchard Shopping Centre

This new Shopping Centre is located in Thornhill, Ontario, on the fringe of Metropolitan Toronto. It has a total rentable area of 42,800 square feet on a three acre site.

The stores are fully leased and were open for business in February 1969, with the exception of the supermarket, which will be ready in April 1969.

Ajax Shopping Centre

During 1968 the Company purchased an 18 acre shopping centre site in Ajax, Ontario. Construction of a shopping centre in excess of 200,000 square feet on this site has begun. The majority of leases including one for a department store of 113,000 square feet for this centre have been signed or are under negotiation.



Bramalea Town Houses

The Company has fully leased the 101 town house rental units in Bramalea.

York Square North

This recently-completed Town House development is located in the northwest part of Metropolitan Toronto and is 95% leased.

Of the 91 units, 81 have three bedrooms and the balance are made up of two and four-bedroom units. Bramalea has leased this development to a company controlled by the pension fund providing the long term financing. Under the terms of the lease, Bramalea receives 50% of the profits generated.



Bramalea Medical/Dental Centre

This building of 3,850 square feet was sold to the

Bank branches located in Bramalea:

Royal Bank of Canada

The Toronto-Dominion Bank

Bank of Montreal

Canadian Imperial Bank of Commerce

Bank of Nova Scotia (located in Bramalea Shopping Centre)



*Illustrated above:
Bramalea neighbourhood
Shopping Centre*



*Illustrated below:
Niagara Peninsula
Shopping Centre*





Township of Chinguacousy in 1968. It has been renovated for use as a Community Hall for teenaged children, senior citizens, etc.

Bramalea Industrial Buildings

It is the Company's intention to build and lease industrial buildings to various companies who do not wish to buy land and build their own buildings. At the present time, there are three such industrial buildings in Bramalea built for Bramalea Consolidated Developments Limited. In two cases, these buildings were sold by Bramalea Consolidated Developments Limited and leased back. The buildings are being sub-let to other tenants.

Other Commercial Projects

The Property Management Division in 1968 and early 1969 acquired land in Hamilton, Welland and Niagara Falls for the development of three sub-regional shopping centres. The department and food store leases are signed and most other leases have been signed or are under negotiation with national retailers. This Division is negotiating further purchases of land in London, Windsor, Kitchener and various suburban areas of Metropolitan Toronto for additional sub-regional centres.



*Town House developments
by Bramalea Consolidated
Developments Limited.*



INCOME FROM REVENUE PRODUCING PROPERTIES
INCOME IN THOUSAND DOLLARS





Bramalea Industrial Park

Industrial sales for the year totalled 24.2 acres on which 171,500 square feet of building is under construction. During 1968, six companies which had bought sites in Bramalea in 1967, moved into their buildings totalling 216,000 square feet. Also, five companies which were already in operation in Bramalea, expanded their facilities in 1968 by 145,000 square feet:

Company	Acres	Square Feet	
		Building Occupied	Under Construction
Companies which purchased sites in Bramalea in 1968			
Cresswell-Pomeroy Limited	5.2		35,000
Dominion Fence & Wire Co. Ltd.	4.0		43,000
Lansing Bagnall Canada Ltd.	4.5		25,000
Merle Norman Cosmetics of Canada Ltd.	5.9		16,000
Denry Development Ltd.	4.6		52,500
Companies which purchased sites in Bramalea in 1967 and occupied their buildings in 1968			
T. Campbell Construction Co. Ltd.		25,000	
Domtar Packaging Ltd.		99,000	
Lindberg Hevi-Duty Canada Ltd.		20,000	
Picker X-Ray Mfg. Co. Ltd.		43,000	
Wm. H. Rorer Co. Ltd.		25,000	
Royal Bank of Canada		4,000	
		216,000	
Companies which built additions to their buildings in 1968			
Bundy of Canada Ltd.		12,000	
Hudson Bay Die Castings Co. Ltd.		17,000	
Northern Electric Co. Ltd.		84,000	
Wayne Sweeper Mfg. Canada Ltd.		7,000	
Weil-McLain Canada Ltd.		25,000	
		145,000	
	24.2	361,000	171,500

As at November 30, 1968, 50 industries were located in the Bramalea Industrial Park. These industries occupied, or had under construction, 3,607,500 square feet of building space and employed approximately 7,000 people.

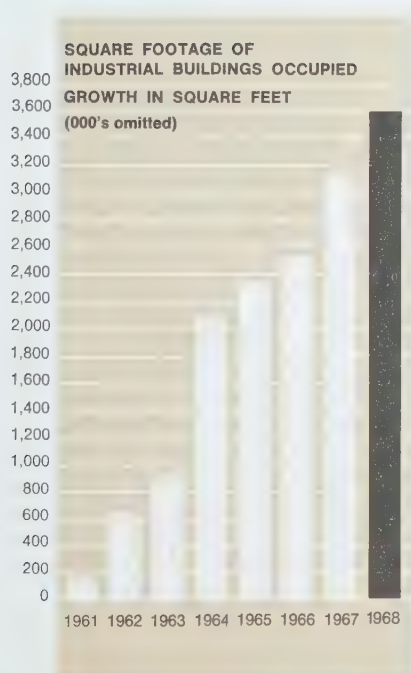
During 1968, the Company leased an industrial building of 52,500 square feet to K-S-H Industries Ltd. This building was constructed by Bramalea General Contracting (Peel) Limited and was occupied on November 1, 1968. The building was sold later in November 1968 at a profit.

Another industrial building of 32,000 square feet, located on a two acre site in Bramalea, is presently under construction for the Company. This building is leased to Mills Appliance Products of Canada Limited for 10 years. Completion and occupancy is expected in April 1969.

With the completed registration and servicing of Phase #6 of Bramalea Industrial Park, additional lands are now ready for spring construction starts. The acreage will complement existing serviced lands by providing more varied sized lots.

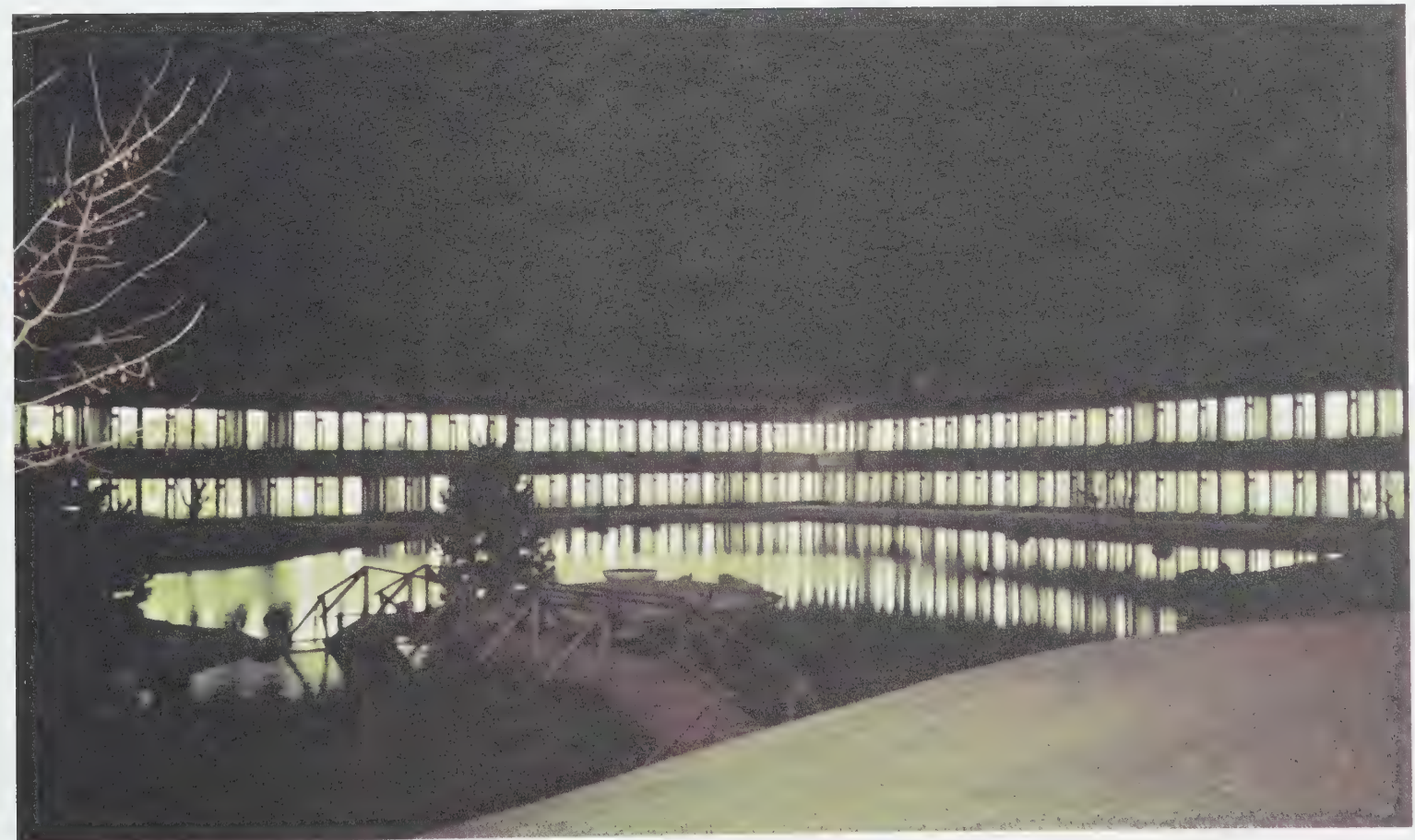
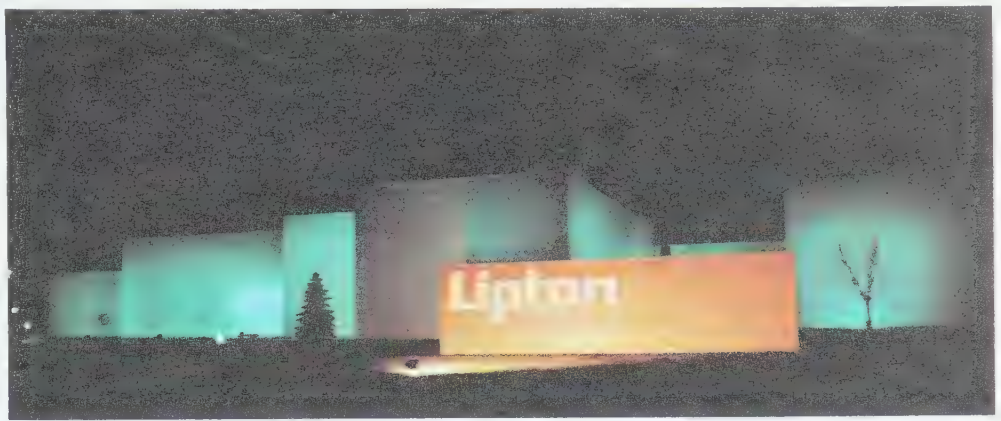
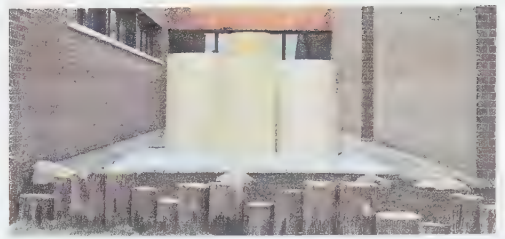
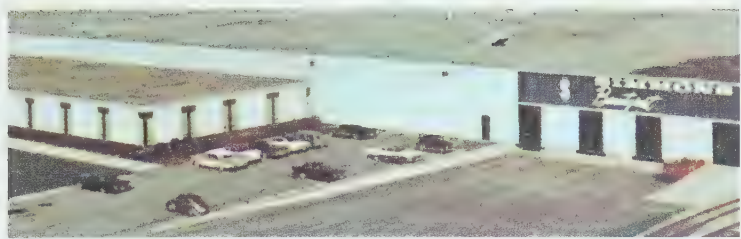
The leasing and speculative building program will assume a larger part of the operation of the Industrial Development Division during 1969, which will include self-contained and multiple occupancy buildings.

The Company is currently negotiating transactions in excess of 700,000 square feet of new plant on 75 acres, and barring serious curtailment of capital investment, it is anticipated that these transactions will be finalized during 1969. Industrial development interest in the Bramalea Industrial Park remains at a high peak.



**Complete list of industries presently located
in Bramalea Industrial Park**

Allcock, Laight & Westwood Ltd.
Besser Canada Ltd.
Bucyrus Blades of Canada Ltd.
Bundy of Canada Ltd.
Cal-Ink Chemical of Canada Ltd.
T. Campbell Construction Co. Ltd.
Canada Precision Devices Ltd.
Canadian Velcro Ltd.
Carrier Air-Conditioning (Canada) Ltd.
Carter Carburetor Co. of Canada Ltd.
Chrysler Airtemp Canada Ltd.
Cresswell-Pomeroy Limited
Dominion Fence & Wire Co. Ltd.
Domtar Limited
Ford Motor Company of Canada Ltd.
 (National Parts & Accessories Depot)
Fyr-Fyter Co. of Canada Ltd.
The Glidden Company Limited
C. M. Hall Lamp Co. Ltd.
The Holophane Co. Ltd.
Higgin Homeshield Ltd.
K-S-H Plastics Ltd.
Kitchens of Sara Lee (Canada) Ltd.
Klockner Moeller Canada Ltd.
Lansing Bagnall Canada Ltd.
Lindberg Hevi-Duty Canada Ltd.
Thos. J. Lipton Ltd.
Lorlea Enterprises Ltd.
Mitchell Construction Canada Ltd.
National Chemsearch Corp. of Canada Ltd.
National Grocers Company Limited
Merle Norman Cosmetics of Canada Ltd.
Northern Electric Co. Ltd.
Oakite Products of Canada Ltd.
Peel Terminal Warehouses
Permacon Canada Ltd.
Picker X-Ray Manufacturing Co. Ltd.
Roberts Company Canada Ltd.
Wm. H. Rorer Inc.
Root Wire Ltd.
G. D. Searle Company of Canada Ltd.
Simmons Limited
Somerville Plastics Ltd.
The Swift Canadian Co. Ltd.
Hudson Bay Diecasting Ltd.
Huntington Laboratories Ltd.
Wayne Sweeper Mfg. Canada Ltd.
Weil-McLain Canada Ltd.
Tung-Sol International Corp.
 Canadian Division.
Imperial International Co. Ltd.
Inland Publishing Co. Ltd.



Accounting Policies

The accounting policies used by the Company in the preparation of its financial statements are as follows:

House Sales

Revenue from the sale of a house is not recorded until the acceptance of the completed house by the purchaser. At the same time, the cost which is 95% to 100% actual and from 0% to 5% estimated, is charged to cost of sales. The estimated amounts are adjusted to actual as soon as they are known.

Industrial Land Sales

Revenue from the sale of industrial acreage is recorded on closing and the cost of sale is recorded at the average cost per acre. No profit is recorded on conditional sales.

Land Cost

Land is shown in inventory at its original cost plus carrying charges, i.e. interest on debt and taxes. The cost of land in a particular residential neighbourhood or industrial park is prorated over the saleable acreage in that area. Development costs are averaged over the acreage to which they relate.

Rental Revenue

Revenue from rental properties is recorded as earned. Where percentage rentals are payable by tenants, as is the case in all the shopping centres owned by your Company, this percentage rental is recorded when earned.

Where leases contain rental escalation provisions the annual rental recorded as earned is based on the average rental to be earned over the term of the lease.

Depreciation

Depreciation on buildings is recorded at a minimum of 2% on a straight line basis. Depreciation on equipment is recorded at a rate sufficient to write the equipment off over its anticipated life.

School Costs

The Company is writing off the estimated cost of a public elementary school on a unit basis over the number of residential units that the particular school serves. The instalment payments of principal and interest on account of outstanding debentures for present public elementary schools, which the Company is responsible for, are expensed as they are made.

Sale and Leaseback

Profits arising from sale and leaseback transactions are written off over the term of the lease taken back.

*Comparative summary of how each \$100.00 of income was spent for the last four years

	1968	1967	1966	1965
INCOME	\$100.00	\$100.00	\$100.00	\$100.00
EXPENSES				
Cost of land and houses	59.73	55.53	61.09	66.20
Operating expenses of revenue-producing property	8.40	11.61	12.50	9.90
Selling and administrative	10.52	9.82	10.80	11.10
Interest and other financial charges and management fees	2.48	4.53	5.70	3.50
Miscellaneous and other operations	2.46	4.76	3.10	3.30
TOTAL EXPENSES	83.59	86.25	93.19	94.00
NET PROFIT (before income taxes)	16.41	13.75	6.81	6.00
CORPORATION INCOME TAXES	8.34	4.55	—	—
	8.07	9.20	6.81	6.00
	<u>\$100.00</u>	<u>\$100.00</u>	<u>\$100.00</u>	<u>\$100.00</u>

*After reclassification of certain items in the 1965-6 statements.

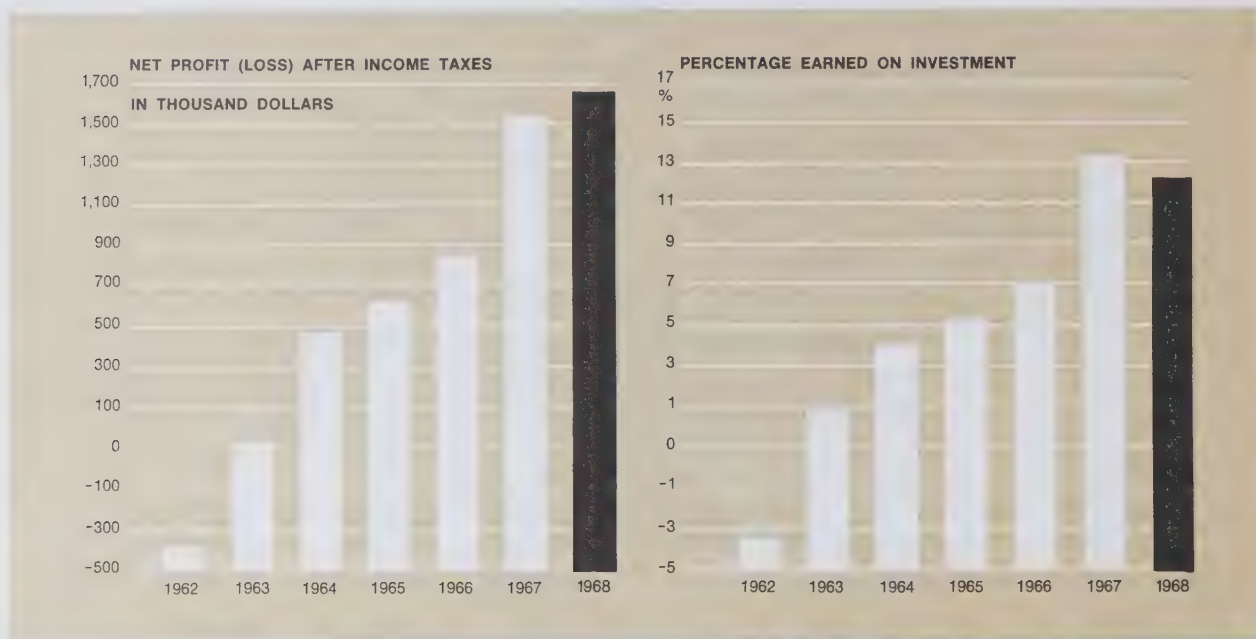
*The following table illustrates the effect of diversification upon the Company's income and its relationship by percentage:

	1968		1967		1966		1965	
	Dollar Amount	% total Income	Dollar Amount	% total Income	Dollar Amount	% total Income	Dollar Amount	% total Income
Sale of land and houses	\$18,154,420	86.86	\$13,959,206	83.67	\$ 9,315,040	79.89	\$ 8,448,030	83.98
Income from revenue-producing properties	1,881,713	9.00	2,061,462	12.35	1,568,686	13.45	1,052,404	10.46
Profit from sale of revenue-producing properties	—	—	40,719	.24	169,127	1.45	—	—
Interest income	424,217	2.03	215,406	1.29	160,580	1.38	74,597	.74
(Loss) gain on redemption of debentures	(46,510)	(.22)	14,144	.09	(17,556)	(.15)	5,640	.06
Miscellaneous and other operations	485,774	2.33	393,492	2.36	463,946	3.98	478,976	4.76
	<u>\$20,899,614</u>	<u>100.00</u>	<u>\$16,684,429</u>	<u>100.00</u>	<u>\$11,659,823</u>	<u>100.00</u>	<u>\$10,059,647</u>	<u>100.00</u>

*After reclassification of certain items in the 1965-6 statements.

***Profit earned as a percentage of capital investment**

	1962	1963	1964	1965	1966	1967	1968
Net profit (loss)	\$ (445,252)	\$ 12,237	\$ 434,099	\$ 611,018	\$ 795,993	\$1,534,921	\$1,686,386
Percentage earned on investment	(3.94)	.01	3.84	5.40	7.04	13.47	12.27
<i>*1962-1966 based on investment of</i>		\$11,309,849					
1967	<i>based on the average investment of</i>		\$11,396,933				
1968	<i>based on the average investment of</i>		\$13,743,132				



****Earnings per share (adjusted for the 5 for 1 stock split in August 1968)**

	Net profit (loss)		Income taxes		Net profit (loss) after income taxes	
	Total	Per Share	Total	Per Share	Total	Per Share
1962	\$ (445,252)	\$(.10)	\$ —	\$ —	\$ (445,252)	\$(.10)
1963	12,237	—	—	—	12,237	—
1964	434,099	.10	—	—	434,099	.10
1965	611,018	.14	—	—	611,018	.14
1966	795,993	.18	—	—	795,993	.18
1967	2,294,921	.50	760,000	.17	1,534,921	.33
1968	3,429,386	.65	1,743,000	.33	1,686,386	.32

****1962-1966 based on 4,472,690 shares**

1967	<i>based on the average number of shares outstanding</i>	4,576,033
1968	<i>based on the average number of shares outstanding</i>	5,241,332

McDONALD, CURRIE & CO.

CHARTERED ACCOUNTANTS
INTERNATIONAL FIRM
COOPERS & LYBRAND

TELEPHONE 366-2551
120 ADELAIDE STREET WEST
TORONTO 1, CANADA

Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Bramalea Consolidated Developments Limited and subsidiaries as at November 30, 1968 and the consolidated statements of earnings and retained earnings and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at November 30, 1968 and the results of their operations and the source and use of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

FEBRUARY 14, 1969

A handwritten signature in blue ink that reads "McDonald, Currie & Co." in a cursive script.

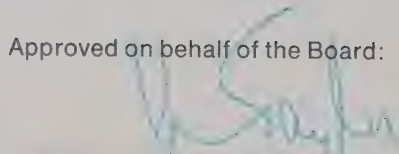
CHARTERED ACCOUNTANTS

Bramalea Consolidated Developments Limited and Subsidiaries
(Incorporated under the Laws of Ontario)
Consolidated Balance Sheet
as at November 30, 1968


ASSETS

	1968	1967
Cash	\$ 694,062	\$ 252,267
Short-term notes	2,000,000	—
Accounts receivable (note 2)	7,095,096	1,703,839
Houses completed and under construction (including land) — at cost (note 3)	1,938,883	1,322,565
Land and improvements — held for sale (note 4) Under development:		
Land (including carrying charges, 1968 — \$612,441; 1967 — \$577,037)	5,024,156	1,489,861
Development expenses	3,868,481	3,191,738
Undeveloped land (including carrying charges, 1968 — \$2,409,246; 1967 — \$2,470,598)	8,534,643	9,370,589
Advances to joint venture and partnerships (note 5)	1,802,069	1,303,067
Mortgages and notes receivable (note 6)	8,000,148	6,430,451
Investments — at cost (note 7)	50,798	12,093
Revenue-producing properties, complete and in progress, other property and equipment — at cost less accumulated depreciation (note 8)	6,567,501	15,747,546
Deferred financing costs (note 9)	418,581	432,611
Deferred charges	1,483,585	781,768
	<u>\$47,478,003</u>	<u>\$42,038,395</u>

Approved on behalf of the Board:



Director



Director

LIABILITIES

	1968	1967
Bank indebtedness	\$ —	\$ 4,856,844
Accounts payable and accrued liabilities	4,470,915	2,645,821
Provision for future development expenses	193,700	209,800
Provision for income taxes (note 10)	1,586,931	468,000
Mortgages on properties held for sale (note 3)	203,155	765,890
Due to affiliated companies	929,364	—
Joint venture liabilities	—	407,824
Mortgages on revenue-producing properties (note 11)	3,472,391	10,657,870
Mortgages and notes on land (note 13)	2,342,758	1,991,856
Other mortgages, notes and similar indebtedness (note 12)	3,095,463	3,706,794
7½% Convertible Debentures, Series A, due October 1, 1988 (note 14)	12,000,000	—
6½% Sinking Fund Debentures, due July 1, 1973	—	3,857,548
Deferred income taxes (note 10)	518,000	292,000
Deferred profit on sale and leaseback of shopping centre (note 12)	179,858	—
Minority interest (note 1)	37,530	35,994
	<u>29,030,065</u>	<u>29,896,241</u>

SHAREHOLDERS' EQUITY

Capital Stock (note 15)		
Authorized —		
12,500,000 common shares without par value		
Issued and fully paid	16,359,907	11,644,855
Retained earnings	2,088,031	497,299
	<u>18,447,938</u>	<u>12,142,154</u>

\$47,478,003

\$42,038,395

Commitments and Contingent Liabilities (note 18)

*The accompanying notes are an integral part of this statement
and should be read in conjunction therewith.*

Consolidated Statement of Earnings and Retained Earnings

for the year ended November 30, 1968

REVENUE

	1968	1967
Sales of land and houses	\$18,154,420	\$13,959,206
Income from revenue-producing properties	1,881,713	2,061,462
Interest	424,217	215,406
Net gain on sale of revenue-producing properties	—	40,719
(Loss) gain on redemption of 6½% Sinking Fund Debentures	(46,510)	14,144
Miscellaneous and other operations	485,774	393,492
	<u>20,899,614</u>	<u>16,684,429</u>

EXPENSES

Cost of land and houses sold (note 4)	12,483,173	9,267,207
Operating costs of revenue-producing properties (including interest on long-term debt, 1968 — \$476,671; 1967 — \$770,290)	1,755,392	1,937,787
Selling and administrative	2,199,363	1,638,274
Financial:		
Interest	408,451	604,161
Amortization of deferred financing costs (note 9)	108,938	152,249
Miscellaneous and other operations	514,911	789,830
	<u>17,470,228</u>	<u>14,389,508</u>
	<u>3,429,386</u>	<u>2,294,921</u>

PROVISION OF INCOME TAXES (note 10)

Current	1,517,000	468,000
Deferred	226,000	292,000
	<u>1,743,000</u>	<u>760,000</u>

NET EARNINGS FOR THE YEAR	1,686,386	1,534,921
RETAINED EARNINGS (DEFICIT) BEGINNING OF YEAR	497,299	(1,037,622)
DIVIDENDS	95,654	—
RETAINED EARNINGS END OF YEAR	<u>\$ 2,088,031</u>	<u>\$ 497,299</u>

EARNINGS PER SHARE

based on average number of shares outstanding during each year and without giving effect to further share issues under presently existing rights (note 15)	\$.32	\$.33
Depreciation (including depreciation of revenue-producing properties, 1968 — \$229,313; 1967 — \$348,818)	\$ 333,983	\$ 441,089
Remuneration paid to the Company's directors and senior officers including directors holding salaried employment	\$ 243,150	\$ 205,000

The accompanying notes are an integral part of this statement
and should be read in conjunction therewith.

Consolidated Statement of Source and Use of Funds

for the year ended November 30, 1968

SOURCE OF FUNDS

	1968	1967
From Operations		
Net Income	\$ 1,686,386	\$ 1,534,921
Non-cash items included in the determination of net income:		
Depreciation and amortization.....	333,983	441,089
Land usage and related carrying charges and development expenses.....	4,601,348	3,383,914
Deferred charges.....	869,664	958,664
Amortization of deferred financing costs.....	108,938	152,249
Deferred income taxes.....	226,000	292,000
Other.....	(661)	80,883
Profit on sale of revenue-producing properties and other assets (net of expenses of disposal).....	(165,000)	(152,180)
	<u>7,660,658</u>	<u>6,691,540</u>
Net proceeds from issue of 7½% Convertible Debentures, Series A.....	11,775,358	—
Proceeds from sale of revenue-producing properties and other assets.....	6,276,211	2,534,184
Issue of common shares.....	4,715,052	335,006
Mortgage proceeds.....	1,656,427	1,877,327
Receipts from mortgages receivable.....	818,630	1,111,737
Other.....	4,315	54,539
	<u>32,906,651</u>	<u>12,604,333</u>

USE OF FUNDS

Additions to revenue-producing properties, completed and in progress, and other assets	5,827,621	2,267,870
Development expenses and carrying charges on land.....	4,869,576	2,412,666
Repayment of bank indebtedness.....	4,856,844	2,927,556
Redemption of 6½% Sinking Fund Debentures.....	3,904,058	104,761
Land purchases.....	2,726,590	204,492
Repayment of mortgages, notes and similar indebtedness.....	2,145,366	1,201,746
Increase in deferred charges.....	1,609,538	812,841
Investment in mortgages and notes receivable	796,427	2,853,379
Increase in investment in joint venture and partnerships	499,002	(32,867)
Repayment of joint venture liabilities	407,824	—
Dividends.....	95,654	—
	<u>27,738,500</u>	<u>12,752,444</u>
Change in other assets and liabilities.....	<u>\$ 5,168,151</u>	<u>\$ (148,111)</u>

REPRESENTED BY

Increase (decrease) in cash.....	\$ 441,795	\$ (168,746)
Increase in investment in short-term notes.....	2,000,000	—
Increase in accounts receivable.....	5,365,337	603,407
Increase (decrease) in houses completed and under construction.....	616,318	(446,961)
Increase in investment in and advances to affiliated companies.....	39,255	—
Decrease (increase) in accounts payable and accrued liabilities.....	(1,825,094)	698,039
Decrease (increase) in provision for future development expenses.....	16,100	(209,800)
(Increase) in provision for income taxes	(1,118,931)	(468,000)
Decrease (increase) in mortgages on properties held for sale.....	562,735	(156,050)
(Increase) in amounts due to affiliated companies	(929,364)	—
	<u>\$ 5,168,151</u>	<u>\$ (148,111)</u>

Notes to Consolidated Financial Statements

for the year ended November 30, 1968

1. Principles of Consolidation

The consolidated financial statements include the accounts of all companies in which the parent company holds an interest of 51% or more.

Wholly-owned subsidiaries:

Bramalea Farms Limited
Bramalea Hotels Limited

Partially-owned subsidiaries:

Bramalea Trans-Canada Limited
Camp Muskoka Lodge Limited

The shareholders' equity attributable to the shares held by others is shown on the balance sheet as "Minority interest".

All inter-company balances have been eliminated on consolidation.

2. Accounts Receivable

	1968 \$	1967 \$
Accounts receivable include:		
Due on sale of houses	1,631,129	1,012,373
Due on sale and leaseback of shopping centre	4,281,737	—
Other	1,182,230	691,466
	<u>7,095,096</u>	<u>1,703,839</u>

Accounts receivable from sale of houses generally represents remaining balances on sales of houses and is receivable from mortgagors.

3. Houses Completed and Under Construction

Houses completed and under construction at November 30, 1968, comprise the following:

	Construction Costs \$	Lots (at cost) \$	Total \$
Houses completed and under construction:			
Under contract of sale	1,338,205	21,513	1,359,718
Not under contract of sale	472,483	106,682	579,165
	<u>1,810,688</u>	<u>128,195</u>	<u>1,938,883</u>

At November 30, 1968, mortgages of \$203,155 were outstanding on houses completed and under construction. As sales of houses are made, the mortgage obligations will be liquidated.

4. Land and Improvements — Held for Sale

Prior to 1961 the Company sold industrial land at a loss of \$310,546, as an inducement for industries to locate in Bramalea. The development costs pertaining to this land were estimated at \$229,410. The total loss on sales and the related estimated development costs (\$539,956) were included in development expenses and are amortized over sales of industrial land on an acreage basis. At November 30, 1968, the unamortized balance was \$349,598.

Except for the item explained above, "Land and improvements — held for sale" is stated at cost in the accompanying consolidated balance sheet. The Company's policy is to include carrying charges, such as interest and real estate taxes which pertain to that land, as part of the cost of land. Carrying charges included as part of the cost of land amounted to \$3,021,687 at November 30, 1968 and are amortized over sales of both industrial and residential land on an acreage basis.

Development expenses include costs for water and sewage systems, roads, sidewalks, and street lighting systems. Development expenses are allocated to the industrial and/or residential areas which benefit from the expenditure and are amortized over sales of such land.

5. Joint Venture and Partnerships

Joint Venture:

BBC Swansea

The Company has a 70% interest in a joint venture formed to redevelop a portion of the Village of Swansea (now part of the City of Toronto). Under the terms of the joint venture agreement, the Company may assume certain joint venture liabilities and may advance funds as required, all at 6% interest. Advances made by the Company including liabilities assumed are to be repaid in priority before the income of the joint venture is proportionately distributed to the parties thereto.

The profit from this joint venture will be distributed when the project has been completed. Interest charged to the joint venture has been included in income. To November 30, 1968, advances and accrued interest charged to the joint venture amounted to \$1,568,098.

Partnerships:

Southport Developments

The Company has a 50% interest in a partnership formed to develop property acquired from the BBC Swansea joint venture.

To November 30, 1968, advances charged to the partnership amounted to \$185,000.

There has been no significant development of the property.

Sarnia St Clair Construction Company

The Company has a 25% interest in a 10-year partnership formed February 1966 to acquire land and construct houses in Sarnia, Ontario.

To November 30, 1968, advances and accrued interest charged to the partnership amounted to \$48,971. Interest charged to the partnership has been included in income.

The Company's portion of the current year's partnership loss amounted to \$2,300 and has been charged against income. The Company's portion of the partnership loss to November 30, 1968 amounted to \$13,300.

6. Mortgages and Notes Receivable

Mortgages and notes receivable include:

- (a) Non-interest bearing mortgages and notes in the amount of \$2,155,150;
 - (i) \$388,500 repayable in instalments of \$13,000 per annum to August 1, 1982 with the balance on May 1, 1983;
 - (ii) \$266,650 due in 1969;
 - (iii) \$1,500,000 due and payable June 30, 1998.
- (b) Mortgages and notes in the amount of \$5,844,998 (net of allowance for possible losses of \$170,000) bearing interest at 4% to 10% and repayable to 1993.

7. Investments

This amount includes:

	1968	1967
	\$	\$
Investment in and advances to affiliated companies	39,255	—
Investments without quoted value	11,543	12,093
	<u>50,798</u>	<u>12,093</u>

8. Revenue-Producing Properties, Complete and In Progress, Other Property and Equipment

These assets and related accumulated depreciation comprise:

	1968		1967	
	Cost	Accumulated Depreciation	Net	Net
	\$	\$	\$	\$
Revenue-producing properties:				
Completed	3,911,648	333,669	3,577,979	15,168,639
Under construction	2,280,139	—	2,280,139	—
Equipment—other operations	578,400	168,106	410,294	300,945
Property and equipment	505,487	206,398	299,089	277,962
	<u>7,275,674</u>	<u>708,173</u>	<u>6,567,501</u>	<u>15,747,546</u>

9. Deferred Financing Costs

Deferred financing costs less amortization consist of:

- (i) the unamortized balance of the financing costs relative to the issuance of the 7½% Convertible Debentures amounting to \$222,769;
- (ii) the unamortized balance of the financing costs relative to the issuance of the 6½% Sinking Fund Debentures amounting to \$179,662. This balance is being amortized over the original term of the 6½% Sinking Fund Debentures which were due July 1, 1973;
- (iii) the unamortized balance of other long-term financing costs amounting to \$16,150.

10. Income Taxes

The current year's income tax provision has been reduced by:

- (a) \$175,000 (net) as a result of:
 - (i) including in income, profit realized on inter-company transactions prior to amalgamation in 1967, which profit had been taxed in prior years;
 - (ii) charging income with certain costs such as finance and interest charges which had been claimed for tax purposes in prior years.

On a cumulative basis, taxes have been reduced by \$535,000 as a result of including such income earned and claiming such expenses incurred during years ended November 30, 1966. This amount is not included in the financial statements.

- (b) \$352,000 due to claiming depreciation for tax purposes in the current year in excess of amounts recorded in the accounts. At November 30, 1968, taxes have been reduced by \$352,000 as a result of claiming depreciation for tax purposes in excess of the amount recorded in the accounts. No provision for deferred income taxes is included in the financial statements for this amount.

Income taxes payable in respect of the current year have been reduced by claiming for tax purposes in the current year certain costs such as finance and interest charges which are capitalized for accounting purposes. This reduction amounting to \$226,000 is applicable to those future years in which these amounts already claimed for tax purposes will be charged against income and accordingly is included in the balance sheet in "Deferred income taxes".

11. Mortgages On Revenue-Producing Properties

These mortgages bear interest at an average rate of 7% and mature from 1969 to 2066. Principal payments due in the next five fiscal years are as follows:

	\$
1969	389,426
1970	308,538
1971	57,803
1972	62,103
1973	66,611

12. Other Mortgages, Notes and Similar Indebtedness

	1968 \$	1967 \$
Mortgages payable—at an average rate of 7%, maturing from 1971 to 1983	1,096,700	994,645
Non-interest bearing mortgages payable, maturing 1972	171,000	360,500
Non-interest bearing notes payable, maturing 1972	19,958	175,000
	<u>1,287,658</u>	<u>1,530,145</u>
Amounts owing on a shopping centre	1,807,805	2,176,649
	<u>3,095,463</u>	<u>3,706,794</u>

Mortgages and notes payable:

Principal payments due in the next five fiscal years are as follows:

	\$
1969	90,084
1970	97,910
1971	80,436
1972	240,174
1973	52,642

Amounts owing on a shopping centre:

Under the terms of the purchase agreement, the Company did not assume the first mortgages on a shopping centre at the time of purchase, but rather agreed to make the following payments to the vendor, such payments to equal the principal and interest due under the mortgage obligations of the vendor:

	\$
1969	286,774
1970	304,474
1971	1,116,557
1972	100,000

A wholly-owned subsidiary purchased the first mortgages on the shopping centre. The subsidiary postponed its claim under these mortgages which are receivable from a third party and are included in "Mortgages and notes receivable".

During the year the Company entered into a sale and leaseback agreement whereby it sold the shopping centre for a profit of \$182,392 and leased it back for a period of thirty years. The profit on the sale and leaseback is being amortized over the period of the lease. At November 30, 1968 the unamortized profit amounted to \$179,858 and is included in the balance sheet as "Deferred profit on sale and leaseback of shopping centre".

Minimum annual lease payments due in the next five fiscal years as are as follows:

	\$
1969	1,033,496
1970	1,126,496
1971	1,181,496
1972	1,126,496
1973	1,126,496

Amounts due on a shopping centre previously included in "Long-term debt on revenue-producing properties" in 1967 amounting to \$2,176,649 have been reclassified and are included in "Other mortgages, notes and similar indebtedness".

13. Mortgages and Notes On Land

	1968 \$	1967 \$
Mortgages payable — at an average rate of 6% maturing from 1969 to 1985	1,543,830	1,593,082
Non-interest bearing mortgage payable maturing 1976	348,928	398,774
7½% Note payable, due in 1969	450,000	—
	<u>2,342,758</u>	<u>1,991,856</u>

Principal payments due in the next five fiscal years are as follows:

	\$
1969	655,695
1970	100,709
1971	115,082
1972	159,256
1973	327,059

14. 7½% Convertible Debentures, Series A, Due October 1, 1988

The Series A Debentures are secured by a Trust Indenture containing a first floating charge on the undertaking and all the property and assets of the Company.

Under the Trust Indenture a Sinking Fund for retirement of the Series A Debentures is to be established into which the Company must pay before October 1st in each of the years 1979 to 1987, inclusive, an amount equal to 6⅔% of the aggregate principal amount of the Series A Debentures outstanding on September 30, 1978.

The Series A Debentures are redeemable in whole or in part subject to the following two restrictions:

- (i) the Series A Debentures may not be called for redemption in whole or in part prior to October 1, 1978 unless and until the principal amount of the Series A Debentures converted into shares of the capital of the Company and/or purchased for cancellation shall total \$11,400,000.
- (ii) the Series A Debentures may not be called for redemption (otherwise than out of Sinking Fund monies) in whole or in part prior to October 1, 1983, as part of or in anticipation of any refunding operation involving the incurring of indebtedness at an interest rate of less than 7½% per annum.

Each of the Series A Debentures is convertible up to September 30, 1978, or up to the last full business day preceding the date specified for redemption of such Debenture, whichever is the earlier, into fully-paid and non-assessable common shares by applying the principal amount of such Debenture to the purchase of such shares at a price of \$8 per share. The Trust Indenture provides for adjustment of the conversion price if additional common shares are issued for a consideration less than \$8.

15. Capital Stock

The Company's outstanding share capital consisted of 5,931,675 (1967 — 4,782,720) issued and fully-paid common shares at November 30, 1968. In accordance with supplementary letters patent dated August 17, 1968, the number of authorized common shares of the Company was changed from 1,500,000 to 12,500,000 shares and the issued shares were split five for one. All references to number of shares, related prices and earnings per share have been restated to reflect the stock split.

During the year, 1,148,955 common shares of the Company (including shares under option and warrants exercised) were issued for \$4,715,052 cash.

Shares Reserved:

At November 30, 1968, 2,742,807 shares were reserved for issue as follows:

Stock Options	264,000
Warrants	978,807
7½% Convertible Debentures Series A	1,500,000
	<u>2,742,807</u>

Stock Options:

During the year the following stock options were granted to certain employees of the Company exercisable at \$5.60 per share.

Expiry date	Granted	Exercised during the year	Outstanding at November 30, 1968	Maximum exercisable in any one year
1973	15,000	1,750	13,250	5,100
1975	115,000	23,000	92,000	23,000
1978	185,000	26,250	158,750	27,000
	<u>315,000</u>	<u>51,000</u>	<u>264,000</u>	<u>55,100</u>

Warrants:

There are 177,965 warrants outstanding entitling the bearer to purchase at any time to July 1, 1973, common shares of the Company. The number and cost of the shares are to be determined in accordance with the Warrant Agreement dated July 1, 1961. At November 30, 1968, the exercise price was \$1.82 (U.S. funds) and 978,807 shares (adjusted for the five for one stock split) of the Company's common stock were reserved. During the year 62,035 warrants were exercised to purchase 347,955 shares for a consideration of \$679,452.

16. Dividend Restrictions

The Indenture under which the Debentures were issued provides that, so long as any Debentures are outstanding the Company will not make any distribution (stated to include dividends paid and dividends deemed to have been paid under the provisions of the Canadian Income Tax Act) which would have the effect of reducing consolidated retained earnings of the Company and its subsidiaries below \$1,000,000.

17. Pension Plan

A contributory funded pension plan is provided for most employees. Benefits are based on 2% of earnings for each year of membership in the plan. The Company contributed \$16,450 during 1968 to meet the funding requirements of the plan.

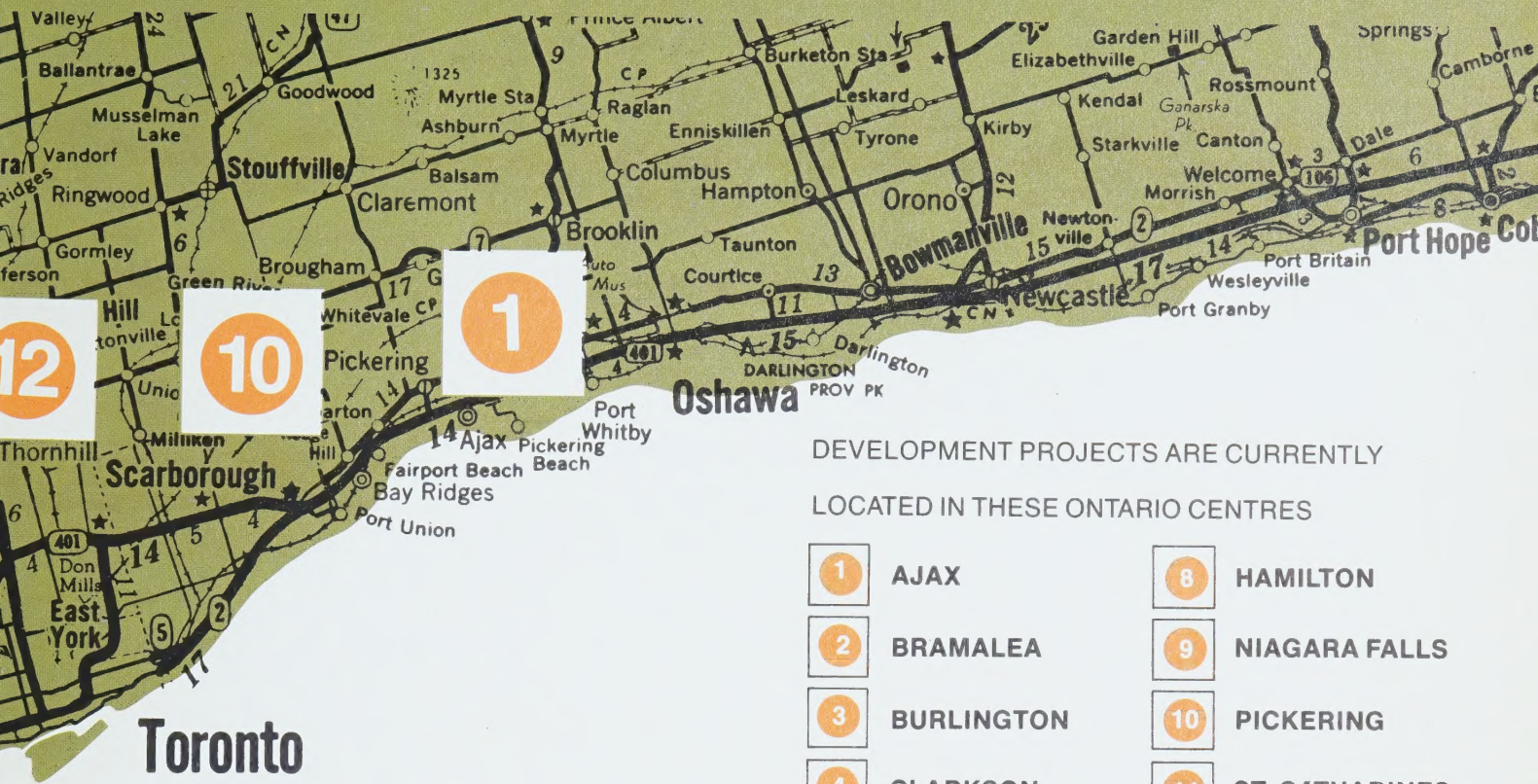
18. Commitments and Contingent Liabilities

- (a) Under the terms of agreements with the Township of Chinguacousy the Company has assumed the Township's portion of costs for certain debenture obligations relating to extensions to sewage treatment facilities, a sanitary forcemain and schools. The maximum annual payments required will be approximately \$170,000 in 1969 and 1970; \$156,000 from 1971 to 1986 and lesser amounts payable to 1997. Payments will be charged to operating expenses as incurred.
- (b) At November 30, 1968, the Company was obligated under long-term leases to pay an aggregate minimum annual rental of approximately \$98,000. The Company has no obligations under these leases beyond the year 1983. This minimum annual rental is in addition to lease payments referred to in note 12.
- (c) The Company has commitments aggregating approximately \$935,000 for land improvements, based on architects' and consulting engineers' estimated completion costs on contracts let.
- (d) The Company has commitments aggregating approximately \$991,000 based on contracts with an associate company for the completion of various buildings under construction.
- (e) Under the terms of agreements with the Township of Chinguacousy, the Company is obliged to provide industrial and commercial development of sufficient amount to bear approximately forty-three per cent of the overall real estate assessment on the developed portion of the Bramalea project. To the extent that such industrial and commercial development is insufficient to meet this proportion of the tax burden, the Company must pay the deficiency to the Township. The Company had a deficiency for the current year in the amount of \$225,000 which has been charged against income.
- (f) The Company has guaranteed bank indebtedness of Southport Developments up to \$100,000.

19. Subsequent Events to February 14, 1969

- (a) The Company has entered into agreements whereby it has purchased land for \$5,455,000.
- (b) The Company has entered into agreements with an associate company to construct buildings for approximately \$859,000.





DEVELOPMENT PROJECTS ARE CURRENTLY
LOCATED IN THESE ONTARIO CENTRES

- | | | | |
|---|------------|----|----------------|
| 1 | AJAX | 8 | HAMILTON |
| 2 | BRAMALEA | 9 | NIAGARA FALLS |
| 3 | BURLINGTON | 10 | PICKERING |
| 4 | CLARKSON | 11 | ST. CATHARINES |
| 5 | ERINDALE | 12 | THORNHILL |
| 6 | ETOBICOKE | 13 | WATERLOO |
| 7 | GUELPH | 14 | WELLAND |

LAKE ONTARIO



